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UNCLAS SECTION 01 OF 02 MEXICO 000413

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SUBJECT: PARTY POLITICS DIVIDE LABOR MOVEMENT "UNITY" OVER
PRICE INCREASES

REF: MEXICO 0391

11. SUMMARY: The successful organization of Mexican labor movement participation in a January 31 st, mega-march to protest price increases in basic food items now appears very much in doubt. The unified image labor had hoped to project in demonstrating against price increases was shattered when it became known that some labor supporters of failed PRD presidential candidate, Manuel Andres Lopez Obrador, attempted to give him a prominent role in the march. Unions associated with the PRD political party at first tried to promote Lopez Obrador as a leading figure in the scheduled mega-march but then backtracked claiming he would just be another participant. However, even with a reduced role, the labor unions associated with the PRI, Mexico,s other large opposition political party, are still threatening to pull out of the mega-march over the question of Lopez Obrador,s participation. This division over party politics on an issue --opposition to price increases-- that had unified the spectrum of Mexico,s labor unions may be an indication of the difficulties the movement will face in coming together to promote reforms all believe would benefit the average Mexican worker. END SUMMARY

LABOR UNIONS UNITE TO UNION MEGA-MARCH

12. On January 22, nearly the entire spectrum of Mexico,s organized labor movement (over 4 million members) announced plans to participate in a mega-march being organized to protest recent price increases in such basic food items as tortillas, eggs and milk. The announcement of a unified labor movement participation in the mega-march was made by Francisco Hernandez Juarez, one of the leaders of the association of labor organizations that form the National Workers Union (UNT) According to Hernandez, the recent wave of price increases in basic food items had unified the various elements of Mexico,s labor movement and prompted them to form a common front to demand action by recently inaugurated Mexican President Felipe Calderon and his National Action Party (PAN) government. The scheduled date of the mega-march is January 31.

13. The intent of the mega-march was to bring together a broad range of labor and various other social organizations. These organizations were to come together to protest/demand: price controls on a basket of 30 basic food items; an emergency salary increase for workers below a particular wage range; and a meeting with the GOM,s Secretary of Labor and President Calderon to discuss solutions to the economic problems facing workers and the general Mexican public.

14. When first announced on 1/22, the mega-march reportedly included over 150 union, peasant/farmer and social organizations. Among the unions scheduled to participate, in addition to the UNT, were such other national organizations as the Congress of Labor (CT), the Mexican Workers Confederation (CTM), the Union of Mexican Electrical workers (SME), the Mexican Railway Workers Union (STFRM) and the Revolutionary Confederation of Workers and Peasants (CROC). During the mega-march announcement, Hernandez of the UNT expressed the hope that the unity demonstrated by the march would carry over into other areas of labor cooperation/coordination. Another labor leader, Martin Esparza Flores of the SME, stated unequivocally that the unity of the mega-march would last for the full six years of the Calderon administration.

LABOR,S UNITED FRONT QUICKLY ENDED BY PARTY POLITICS

15. Labor unity was shattered by the introduction of party politics within days of the announcement of the mega-march and the statements of worker solidarity. The incident which prompted the fissures was apparently instigated by the UNT. The UNT is often associated with the Party of the Democratic Revolution (PRD) and in July last year that party,s presidential candidate, Andres Manuel Lopez Obrador (AMLO) only narrowly lost a hard fought election. Neither the candidate nor the party gracefully accepted the loss and emotions over the entire matter still run high. Undoubtedly as a result of these still strong emotions the UNT attempted to assure the PRD,s failed presidential candidate a prominent role in the mega-march.

MEXICO 00000413 002 OF 002

16. When AMLO,s proposed role in the mega-march was first announced, the UNT unilaterally indicated that he would lead the march and serve as the event,s keynote speaker. This unilateral UNT action quickly produced sharply negative reaction by several of the other national unions, in particular from the CT, the CTM and the STFRM, all of whom are closely associated with the Institutional Revolutionary Party (PRI), the second largest opposition political party in Mexico,s national legislature.

17. At first, the UNT and various PRD politicians (including the party,s national leader) tried to argue that the presence of Lopez Obrador in the mega-march was essential since he personified the symbol of what they described as the right wing PAN government of President Calderon. These statements produced a firestorm of criticisms from PRI affiliated unions which accused the UNT and PRD of trying to capitalize on the hardships being suffered by Mexican workers for political purposes. Consequently, the main PRI affiliated unions declared they would completely withdraw from the mega-march rather than be associated with a one-sided political party event.

UNT/PRD UNABLE TO RESTORE LABOR UNITY

18. In the face of this harsh criticism and the decision by most of the PRI affiliated unions to withdraw from the mega-march, the UNT and PRD ultimately attempted to backtrack. Instead of having AMLO lead the event and be its keynote speaker, they asserted that he would just be another participant in the event. Unfortunately for them, these concessions failed to sway the PRI affiliated unions. Rather, they appear to have prompted the PRI affiliated unions to reaffirm their decision not to take part in the mega-march and instead to publicly announce their intention to work with the government of President Calderon to find other ways to address the concerns of their members and

average Mexicans over the recent price increases in basic food items.

COMMENT

19. Within the space of a single week, what started out as a strong show of labor solidarity ended up highlighting the reality that some unions will put political party affiliation ahead of longer term goals. The recent price increases in basic food items have undoubtedly caused hardships for many Mexicans and prompted the GOM to take actions to ameliorate their distress (REFTEL). The plans for the mega-march, had they gone forward as originally announced, would have put Mexico,s organized labor movement in a good position to express its concerns over price increases to President Calderon, and to present a united front on other issues of interest to Mexican workers. Unfortunately for the unions, partisan politics frustrated this attempt at labor unity. Mexico,s organized labor movement can only hope that the lessons of the now probably not-so-mega-march will allow them to work more closely together as the country deals with such pressing and upcoming reforms of Mexico,s federal labor, energy and fiscal administration laws.

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